

Maine Revised Statutes

Title 24-A: MAINE INSURANCE CODE

Chapter 47: ORGANIZATION, CORPORATE POWERS, PROCEDURES OF DOMESTIC LEGAL RESERVE STOCK AND MUTUAL INSURERS

§3474. MERGER, CONSOLIDATION OF STOCK INSURERS

1. Subject to the provisions of this section, a domestic stock insurer, whether or not authorized to transact insurance in this State, may merge or consolidate with one or more domestic or foreign stock corporations by complying with the applicable provisions of the laws of this State governing the merger or consolidation of stock corporations formed for profit.

A. A corporation merging or consolidating with a domestic stock insurer must be incorporated as an insurer in the manner provided by its state of incorporation, but the corporation need not be authorized or licensed to transact insurance by any state prior to the merger or consolidation. [1989, c. 611, §2 (NEW); 1989, c. 611, §4 (AFF).]

B. A foreign or alien insurer may merge or consolidate pursuant to this section with a domestic insurer only if, at the time of the merger or consolidation:

(1) The domestic insurer is authorized to transact insurance in this State; or

(2) The foreign or alien insurer meets all requirements applicable to a domestic insurer set forth in this Title for initial authorization to transact in this State the kinds of insurance, as defined in chapter 9, then transacted by that insurer in any jurisdiction. [1989, c. 611, §2 (NEW); 1989, c. 611, §4 (AFF).]

C. A domestic insurer may not participate in a merger or consolidation that will result in the surviving or new corporation being domiciled in a jurisdiction other than this State unless the surviving or new insurer in the merger or consolidation obtains a certificate of authority in the jurisdiction in which it will be domiciled and in this State to transact the kinds of insurance for which any participating insurers were authorized at the time of the merger or consolidation and agrees to maintain that certificate of authority in this State until and unless the superintendent approves a plan of withdrawal filed pursuant to section 415-A. [1991, c. 2, §92 (COR).]

D. The following provisions apply to the authority of the surviving or new corporation to transact insurance in this State following the merger or consolidation.

(1) If the surviving or new corporation is a domestic insurer and no participating corporation in the merger or consolidation was authorized or licensed to transact insurance in this State, the surviving or new domestic insurer shall meet all applicable requirements of this Title for initial authorization to transact all kinds of insurance, as defined in chapter 9, formerly transacted by any participating insurer or insurers in any jurisdiction.

(2) If the surviving or new corporation is a domestic insurer and seeks authority to transact kinds of insurance other than those for which the domestic insurer or insurers participating in the merger or consolidation were authorized at the time of the merger or consolidation, that corporation must meet the requirements set forth in this Title for initial authorization to transact those kinds of insurance.

(3) If the surviving or new corporation is a foreign or alien insurer that seeks to transact insurance in this State, that corporation shall meet all applicable requirements of this Title for initial authorization to transact all kinds of insurance, as defined in chapter 9, formerly transacted by any participating insurer or insurers as well as for any additional kinds of insurance for which authority is sought. [1989, c. 611, §2 (NEW); 1989, c. 611, §4 (AFF).]

[1991, c. 2, §92 (COR) .]

2. No such merger or consolidation shall be effectuated unless in advance thereof the plan and agreement therefor have been filed with the superintendent and approved in writing by the superintendent after a hearing thereon after notice to the stockholders of each insurer involved. The superintendent shall give such approval within a reasonable time after such filing unless the superintendent finds that the plan or agreement:

- A. Is contrary to law; [1989, c. 611, §3 (AMD); 1989, c. 611, §4 (AFF).]
- B. Is unfair or inequitable to the policyholders of any insurer involved; [1989, c. 611, §3 (AMD); 1989, c. 611, §4 (AFF).]
- C. Would substantially reduce the security of and service to be rendered to policyholders of the domestic insurer in this State or elsewhere; [1989, c. 611, §3 (AMD); 1989, c. 611, §4 (AFF).]
- D. Would materially tend to lessen competition in the insurance business in this State or elsewhere as to the kinds of insurance involved, or would materially tend to create a monopoly as to such business; or [1969, c. 132, §1 (NEW).]
- E. Is subject to other material and reasonable objections. [1969, c. 132, §1 (NEW).]

In making any determination required by paragraph C, the superintendent may consider, among other factors, whether the surplus of the surviving or new corporation satisfies the requirements of section 410.

[1989, c. 611, §3 (AMD); 1989, c. 611, §4 (AFF) .]

3. No director, officer, agent or employee of any insurer party to the merger or consolidation shall receive any fee, commission, compensation or other valuable consideration whatsoever for in any manner aiding, promoting or assisting therein except as set forth in the plan or agreement.

[1969, c. 132, §1 (NEW) .]

4. If the superintendent does not approve the plan or agreement, he shall so notify the insurer in writing specifying his reasons therefor.

[1973, c. 585, §12 (AMD) .]

SECTION HISTORY

1969, c. 132, §1 (NEW). 1973, c. 585, §12 (AMD). 1989, c. 611, §§2-4 (AMD). RR 1991, c. 2, §92 (COR).

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